

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1289 - HB 1812

March 12, 2011

SUMMARY OF BILL: Prohibits local governments from operating traffic enforcement cameras on highways maintained with state funds unless the county legislative body approves the location by resolution following two public hearing. Prohibits reporting of citations resulting from traffic enforcement cameras to the Department of Safety, insurance companies, or credit agencies. Prohibits citations from traffic enforcement cameras from exceeding \$50 and the assessment of court costs if paid in a timely manner. Authorizes a local government to assess additional penalties if second or subsequent attempts are required to collect a fine. Prohibits the cumulative amount of penalties from exceeding the original amount of the fine.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,132,800

Decrease Local Revenue – Net Impact - \$2,856,900

Assumptions:

- Local governments considering new traffic enforcement cameras will hold public hearings at their administrative office at no additional cost.
- Prohibiting local governments from reporting citations to the Department of Safety, insurance companies, and credit agencies will reduce the incentive for violators to pay assessed fines. The rate at which collections will be reduced is unknown but is estimated to be approximately 50 percent.
- Based on a 2011 Fiscal Review Committee Survey of communities currently utilizing traffic enforcement cameras, local governments currently operating traffic enforcement collect revenue of approximately \$5,594,081 as a result of traffic citations and fines. Reducing total collections by 50 percent will result in a decrease to local revenue of \$2,797,041 ($\$5,594,081/2$).
- The state litigation tax is \$13.75. County Clerks retain 5 percent of the litigation tax, resulting in \$13.06 to the state and \$0.69 to local governments per assessment.
- According to a 2010 Fiscal Review Committee survey, approximately four municipalities assess court costs on citations at the time of issuance.
- According to a 2011 Fiscal Review Committee Survey of communities currently utilizing traffic enforcement cameras, there are approximately 13 cameras per municipality each issuing approximately 139 citations monthly resulting in 21,684 citations per camera each year.

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- The state litigation tax is estimated to be assessed prior to court action on approximately 86,736 citations (21,684 citations x 4 municipalities).
- Prohibiting the assessment of the state litigation tax will result in a decrease to state revenue of \$1,132,772 (86,736 citations x \$13.06 litigation tax).
- Prohibiting the assessment of the state litigation tax will result in a decrease to local revenue of \$59,848 (86,736 citations x \$0.69 litigation tax).
- There will not be a significant increase to local revenue as a result of additional fees and penalties assessed due to delinquent fines.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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